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**State of Maine**  
**ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE**  
**COMMITTEE ON TAXATION**

January 19, 2016

Senator Roger Katz, Senate Chair  
Rep. Charles Kruger, House Chair  
Members  
Government Oversight Committee  
82 State House Station  
Augusta, Maine 04333

Dear Members of the Government Oversight Committee:

Thank you for requesting our review of the tax expenditure review parameters developed by OPEGA and reviewed by your committee on January 7, 2016 with participation by members of our committee and the Committee on Labor, Commerce, Research and Economic Development. You requested our comments.

The Joint Standing Committee on Taxation has reviewed the materials prepared by OPEGA and the schedule for ongoing review of tax expenditures. We recognize, as do you and OPEGA, that we are at the beginning of developing this review process and it is difficult to anticipate all of the information that might be useful in evaluating each provision. We expect that engagement in the process will bring all of us better insight. That being said, the Taxation Committee believes that the parameters presented by OPEGA represent a good starting point and we recommend your approval. We make the following additional comments

1. We have no objections to OPEGA's recommendation that the Brunswick Naval Air Station Job Increment Financing Fund and the Loring Job Increment Financing Fund be moved to the "expedited review" category and scheduled for 2018.
2. We endorse the recommendation presented by one of our members at the January 7<sup>th</sup> meeting that OPEGA consider in its evaluation information that is available in the general economic development literature regarding the effectiveness of the

specific type of tax expenditure being reviewed and the review results of other states that may have conducted reviews of similar types of tax expenditure provisions.

3. We recommend that OPEGA's investigation of the Legislative intent of each provision consider, to the extent that information is available, the original intent of each provision as well as subsequent statutory changes to the provision and evaluate the effect of subsequent changes on the performance of the provision.

Thank you for seeking our input and for all the work being done by your committee and OPEGA on this task. We look forward to reviewing the results of this important effort.

Sincerely:

Sincerely:

Sen. Earle L. McCormick  
Senate Chair

Rep. Adam A. Goode  
House Chair

cc: Beth Ashcroft, OPEGA  
Christopher Nolan, OFPR  
Julie Jones, ORPR

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